

## CHECKLIST ENVIRONMENTAL ASSESSMENT

<b>Project Name:</b>	Fly Creek Angus Land Banking Tract #1
<b>Proposed Implementation Date:</b>	Fall 2008
<b>Proponent:</b>	Fly Creek Angus, Inc. (Grazing Lessee)
<b>Location:</b>	Sale #35: Section 36, Township 2 North, Range 30 East (640 acres)
<b>County:</b>	Big Horn County

### I. TYPE AND PURPOSE OF ACTION

Offer for sale at public auction, 640 acres of State Land that is currently held in Trust for the benefit of Common Schools. Revenue generated from the sale of this parcel will be deposited into a special account to be used to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income generation and potential for multiple use. The new parcel would then be held in Trust for the benefit of Common Schools. This proposed sale is being initiated through the Land Banking program (Montana Code Annotated 77-2-361 through 77-2-367) that was approved by the Legislature in 2003 and modified in the 2007 session. The purpose of this program is to allow the Department of Natural Resources and Conservation to dispose primarily of parcels that are isolated and produce low income relative to similarly classified tracts and to allow the Department to purchase land with legal public access that can support multiple uses and will provide a rate of return equal to or greater than the parcels that were sold. Additionally, this program allows for the Trust land portfolio to be diversified, by disposing of grazing parcels that make up a majority of the Trust land holdings and acquire other types of land, such as croplands.

### II. PROJECT DEVELOPMENT

#### 1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

*Provide a brief chronology of the scoping and ongoing involvement for this project.*

A letter soliciting comments and explaining the proposed sale was sent to property owners adjoining the state parcel and other interested parties on 5 October 2007 and requesting that comments be submitted on the proposal by 16 November 2007. A complete list of individuals contacted is included on Attachment C of this EA.

A legal notice was published in the Big Horn County News on 9 October 2007 requesting that comments be submitted on the proposal by 16 November 2007.

The Southern Land Office received two comments during the public scoping period. Both of the parties that contacted SLO expressed an interest in staying abreast of the process and possibly bidding on the property if it ultimately is sold.

#### 2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

None

#### 3. ALTERNATIVES CONSIDERED:

**Proposed Alternative:** Offer 640 acres of State Land for sale at public auction and subject to statutes addressing the sale of State Land found in M.C.A. 77-2-301 et seq. Proceeds from the sale would be deposited in the Land Bank Fund to be used in conjunction with proceeds from other sales for the purchase of other State Land, easements, or improvements for the beneficiaries of the respective trusts, in this case Common Schools.

**No Action Alternative:** Defer inclusion of this tract in the Land Banking Program that will permit the State to maintain ownership of this tract and continue the grazing lease.

### III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

#### 4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

*Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.*

No impact since the current grazing use is expected to continue. The subject lot mainly contains clay loam soils and if a future owner were to develop the property the soils could present limitations in building construction because of shrink-swell potential and also in the location of septic systems due to slow water movement.

#### 5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

*Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.*

A perennial waterway, Deer Creek, runs from the southeast to the northwest, bisecting the property. There are no developed water uses on the property; however, there is a well located on private land, just north of the tract. The existing grazing use is expected to continue; therefore no adverse impacts to water quality, quantity or distribution are anticipated.

#### 6. AIR QUALITY:

*What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.*

No Impact. The existing use is expected to continue.

#### 7. VEGETATION COVER, QUANTITY AND QUALITY:

*What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.*

The vegetation on this tract is typical of land in the surrounding area and could be effected by various land management activities including livestock grazing, development, wildlife management or agricultural use. A search of the Montana Natural Heritage Program database indicates there are no known rare, unique cover types or vegetation on this tract. The existing use is expected to continue and therefore, no direct or cumulative effects are anticipated.

#### 8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

*Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.*

This parcel of Trust Land is used by a variety of wildlife species typical of undeveloped land throughout Big Horn County. Wildlife populations can be affected by land use activities associated with livestock grazing, residential development or agricultural practices. A variety of wildlife species including mule deer, fox, coyote and numerous non-game birds use the tract during various times of the year. The existing use is anticipated to continue and therefore, no direct or cumulative wildlife impacts are anticipated.

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**9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:**

*Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.*

A proposed project area search of the Montana Natural Heritage Program database identified one vertebrate animal listed as a species of concern, threatened species, or endangered species: greater sage-grouse. Greater sage-grouse is listed as a sensitive species and is known to exist near the proposed project area and probably inhabit the proposed project area. There have been no leks identified near the proposed project area. Since the existing grazing use expected to continue, no significant impacts are anticipated.

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**10. HISTORICAL AND ARCHAEOLOGICAL SITES:**

*Identify and determine effects to historical, archaeological or paleontological resources.*

The presence or absence of antiquities is presently unknown. A Class III level inventory and subsequent evaluation of cultural and paleontological resources will be carried out if preliminary approval of the parcel nomination by the Board of Land Commissioners is received. Based on the results of the Class III inventory/evaluation the DNRC will, in consultation with the Montana State Historic Preservation Officer, assess direct and cumulative impacts.

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**11. AESTHETICS:**

*Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.*

No Impact. The existing use is expected to continue.

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**12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:**

*Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.*

No Impact. The existing use is expected to continue.

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**13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:**

*List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.*

This 640 acre tract is part of a second round of proposed sales of Trust land throughout the state and under concurrent analysis. There are no known state or federal actions in the vicinity and no known future actions proposed by the state that would have cumulative impacts with this proposal.

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IV. IMPACTS ON THE HUMAN POPULATION
<ul style="list-style-type: none"><li>• RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.</li><li>• Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.</li><li>• Enter "NONE" if no impacts are identified or the resource is not present.</li></ul>

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**14. HUMAN HEALTH AND SAFETY:**

*Identify any health and safety risks posed by the project.*

The implementation of the proposed action will not have a significant adverse impact on human health and safety.

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**15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:**

*Identify how the project would add to or alter these activities.*

No Impact. The existing grazing use is expected to continue.

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**16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:**

*Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.*

No Impact. The existing use is expected to continue.

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**17. LOCAL AND STATE TAX BASE AND TAX REVENUES:**

*Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.*

This tract is currently tax-exempt and the sale of this tract to a non-exempt entity would add it to the county tax base, thus marginally increasing tax revenue to Big Horn County.

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**18. DEMAND FOR GOVERNMENT SERVICES:**

*Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services*

No Impact. The existing use is expected to continue.

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**19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:**

*List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.*

Implementing the proposed action would not conflict with the 2002 Big Horn County Growth Policy. In addition, the property is not presently zoned by Big Horn County.

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**20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:**

*Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.*

This parcel does not have legal public access so the only persons who can legally access the tract are those that obtain permission from an adjoining private landowner. Therefore, implementation of the proposed action is not expected to have a significant impact on access to and quality of recreational and wilderness activities.

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**21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:**

*Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.*

No Impact. The existing use is expected to continue.

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**22. SOCIAL STRUCTURES AND MORES:**

*Identify potential disruption of native or traditional lifestyles or communities.*

The implementation of the proposed action will not have a significant impact on social structures and mores.

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**23. CULTURAL UNIQUENESS AND DIVERSITY:**

*How would the action affect any unique quality of the area?*

Implementation of the proposed action will not have a significant impact on cultural uniqueness and diversity.



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**24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:**

*Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.*

This 640-acre parcel currently has a grazing lease for 146 Animal Unit Months (.228 acres/AUM) at a rate of \$6.18/AUM. The total income generated from the tract was \$902.28 or approximately \$1.41/acre in 2008. The average annual income for the past 5 years has been \$886.84 or \$1.39/acre. Based on the DNRC Annual Report for Fiscal Year 2007, the average income for the 4.3 million acres of grazing land was \$1.83/acre with an average productivity of .258 acres/AUM. Therefore, this tract is considered below average in productivity and producing below average revenue per acre.

An appraisal of the property value has not been completed to date. Under DNRC rules, the appraisal would be conducted after preliminary approval to proceed is granted by the Board of Land Commissioners and the Department is conducting more detailed evaluations in order to make a final determination on whether to offer the tract for sale. The revenue generated from the sale of this tract is intended to be combined with other revenue in the Land Banking Account to purchase replacement property for the benefit of the Trust. It is anticipated the replacement property would have legal access, which would provide greater management opportunities and income. Assuming an appraised value of \$300/acre, the current annual return on the asset value for this tract is 0.47%.

<b>EA Checklist Prepared By:</b>	<b>Name:</b> Jeff Bollman, AICP	<b>Date:</b> 20 March 2008
	<b>Title:</b> Area Planner, Southern Land Office	

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**V. FINDING**

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**25. ALTERNATIVE SELECTED:**

The proposed alternative has been selected and it is recommended that the property receive preliminary approval for sale and continue with the Land Banking process.

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**26. SIGNIFICANCE OF POTENTIAL IMPACTS:**

DNRC did not receive any negative comments regarding the potential sale of this parcel, but did receive contact from a two parties that expressed an interest in bidding on the property if it were sold at auction. The tract does not have any unique characteristics, critical habitat, or environmental conditions indicating the tract should necessarily remain under management by the Department of Natural Resources and Conservation. There are no indications the tract would produce substantially greater revenue or have substantially greater value to the trust in the near future.

The transfer of ownership of this 640-acre tract will not result in any significant effects to the human or natural environment.

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**27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:**☐

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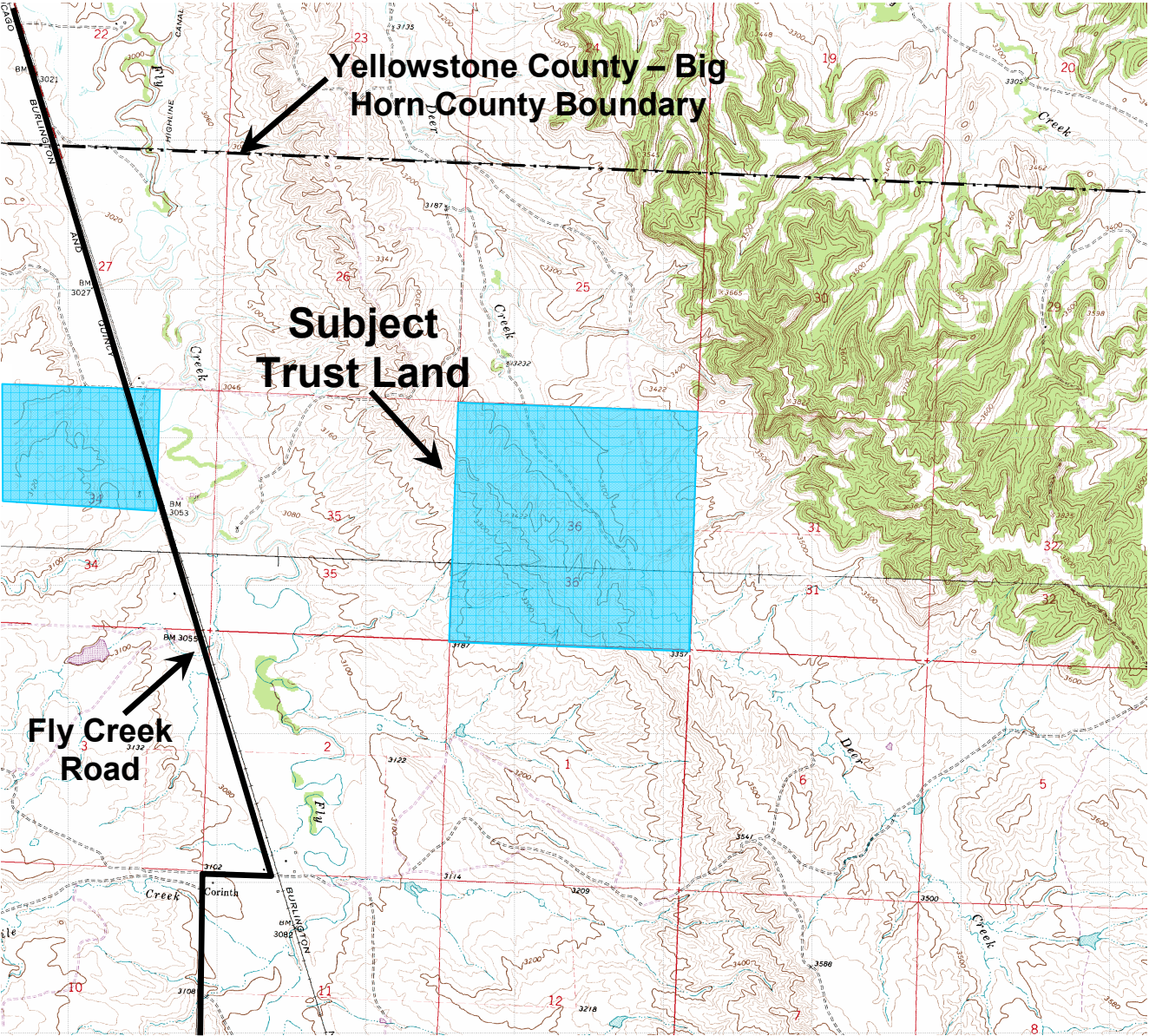
More Detailed EA

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No Further Analysis

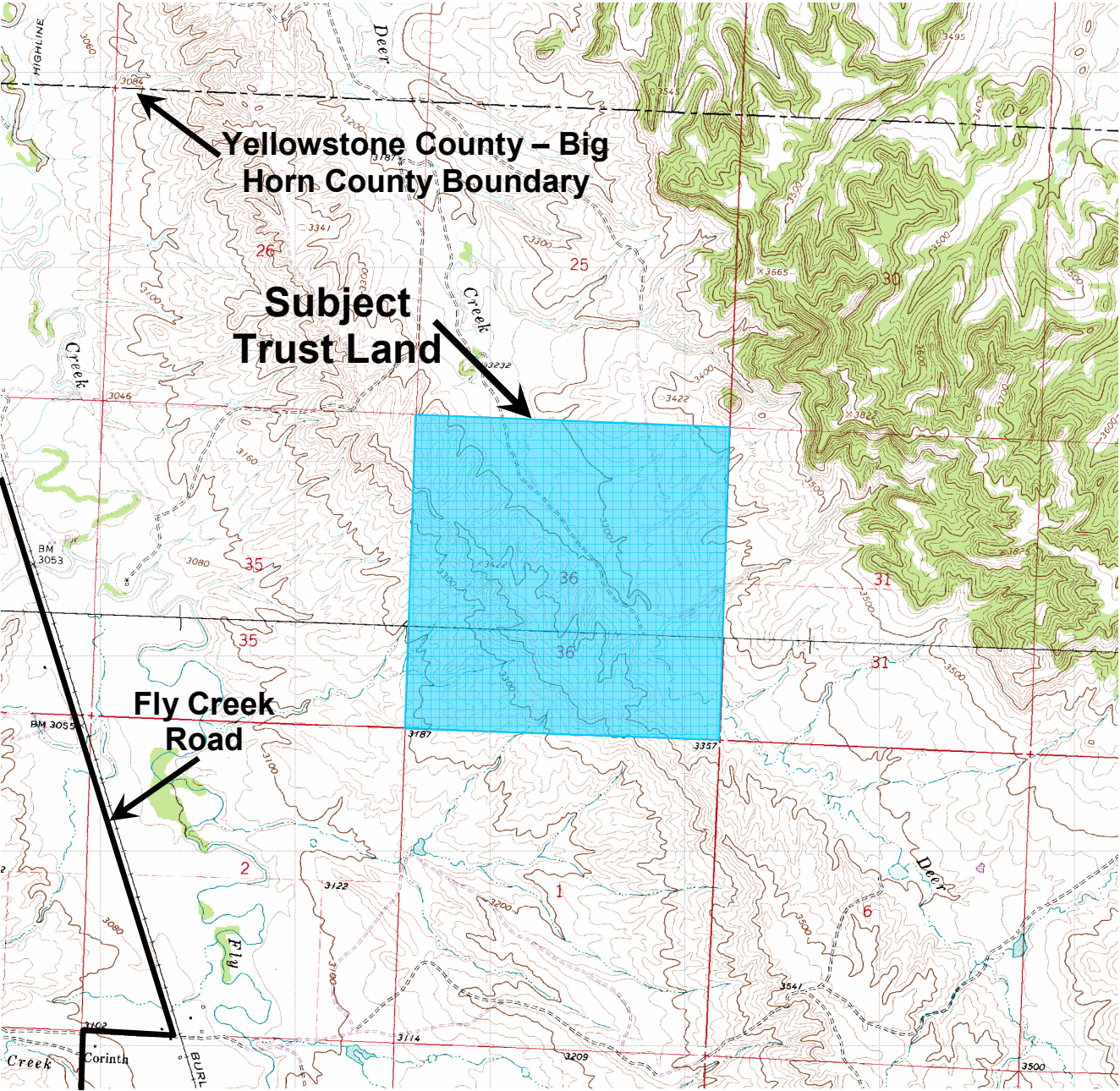
<b>EA Checklist Approved By:</b>	<b>Name:</b> Richard A. Moore
	<b>Title:</b> Area Manager, Southern Land Office
<b>Signature:</b>	<b>Date:</b>

Attachment A – Area Map





Attachment B – Property Map



**Attachment C – List of Persons Notified in Fly Creek Land Banking Tract #1 Scoping Process**

Anne Hedges  
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Information Center  
PO BOX 1184  
HELENA, MT 59624

NANCY SCHLEPP  
MT FARM BUREAU  
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502 SOUTH 19<sup>th</sup>, SUITE 4  
BOZEMAN, MT 59715

Ray Marxer  
Matador Cattle Co.  
9500 Blacktail Road  
Dillon, MT 59725

Bill Orsello or Stan Frasier  
MONTANA WILDLIFE  
FEDERATION  
PO BOX 1175  
HELENA, MT 59624

Jeanne Holmgren  
DNRC  
P.O. Box 201601  
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US Fish and Wildlife Service  
2900 - 4TH AVENUE NORTH,  
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Montana Association of Counties  
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Big Horn County  
Board of County Commissioners  
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Gary Hammond, Regional  
Supervisor  
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Daniel Berube  
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RE/MAX of Billings  
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John Gibson  
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c/o Larry Steiger  
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Dale Osness  
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